

GOVERNMENT OF TELANGANA

ABSTRACT

MINES & MINERALS - Mining Lease held by M/s. Bheema Cements Limited for Limestone over an extent of 40.49 Hectares (Ac.100.00) in Sy.No.63, 67 to 71 & 658 in Ramapuram Village, Mellecheruvu Mandal, Suryapet District - Revival of Mining Lease under Rule 20(6) of Minerals (other than Atomic & Hydro Carbons Energy Minerals) Rules 2016 - orders - Issued.

INDUSTRIES & COMMERCE (M.II) DEPARTMENT

G.O.Ms.No. 2

Dated: 08-01-2019

Read the following:-

1. From Sri G.Madhusudhan Rao, Resolution Professional, M/s. Bheema Cements Limited, Somajiguda, Hyderabad, Dated:22.10.2018.
2. Govt. Memo. No.7013/M-II(1)/2018-1, dated.06.11.2018.
3. From the Director of Mines & Geology, Hyderabad Letter No.16026/R2-2/2017, Dated:15.12.2018

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ORDER:

In the reference 1st read above, G.Madhusudhan Rao, Resolution Professional, M/s. Bheema Cements Limited, Somajiguda, Hyderabad has stated that M/s. Bheema Cements Limited has been referred to National Company Law Tribunal (NCLT), Hyderabad bench by JM Financial Asset Reconstruction Company Limited as financial creditor under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC 2016) and the same has been admitted by NCLT vide its order dated June 9th 2018 in CP(IB) No.97/7/HDB/2018 and Corporate Insolvency Resolution Process (CIRP) commenced from 9th July, 2018 and Mr.G.Madhusudhan Rao, Insolvency Professional has been appointed by Hon'ble NCLT, Hyderabad vide order dated 9th July, 2018 to act as Interim Resolution Professional (RP) of M/s.Bheema Cements Limited. He has further stated that as per section 20 of IBC 2016, b&d, he has been empowered to take action on behalf of the corporate debtor (Bheema Cements Limited) for dealing with and keeping the assets in continuity. Hence to protect the assets the RP is legally empowered to correspond and act on behalf of Bheema Cements Limited.

2. He has further stated that Beheema Cements Limited have been granted (3) mining leases at Rampuram and Veplamadharam Villages, Mellaheruvu Mandal, Suryapet District (erstwhile Nalgonda district). Due to financial problems the plant has ceased to operate from 2013-2014 and accordingly the mines have also stopped mining operations and producing lime stone since then. Further Bheema Cements Limited through their application dated 13.11.2017 have filed for revival of the mining leases Rampuram 13 Acres by paying Rs.100000/- through challan 141638 dated13.11.2017, Rampuram 100 Acres challan 141639 dated 13.11.2017 and Vepalamadharaum 300 acres challan 141640 Dated 13.11.2017 respectively, as per the procedure according to Rule 20(5) of MC Rules,2016. He has further stated that State Government constituted a committee in 2016 to review the revival request of the company and after evaluating the recommendation of Cabinet sub-committee, took a positive view. The Government have put forth conditions, which include that the company should pay Rs.10 Crore immediately to the Commercial tax Department and the balance in 36 interest free monthly. Accordingly the management of Bheem Cements assured the Government to initiate steps to revive operations. He has also stated that leases that the process on hand under NCLT can move smoothly and that any transaction of the Bheema Cements plant would be meaningless without having the captive limestone mines revived in their name.

3. While stating the above, the Resolution Professional, M/s. Bheema Cements Limited, Somajiguda, Hyderabad has requested the Government to revive the (3) mining (Two at Ramapuram and One at Vepalamadhraum villages) in Mellacheruvu mandal of Suryapet District of M/s.Bheema Cements Limited as per the provisions under Rule 20(6) of MCR, 2016.

4. In the reference 2nd read above, based on the application of Sri G.Madhusudhan Rao, Resolution Professional, M/s. Bheema Cements Limited, Somajiguda, Hyderabad, Government vide Memo Dated:06.11.2018 have been requested the Director of Mines & Geology, Hyderabad to examine the matter and furnish a detailed report in the matter to Government, immediately.

5. In the reference 3rd read above, the Director of Mines & Geology, Hyderabad vide his letter dated15.12.2018 has stated that through Govt. Memo No.4750/IP&INF/A1/2016, Dt:13.06.2017, the Government based on the representation from M/s. Bheema Cements Limited constituted a Cabinet Sub-Committee for report pertains to the request of the

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company for revival and waiver of past dues and moratorium of 3-5 years for payment of past dues of Electricity Dept., Commercial Tax Dept., and Mines Dept. Accordingly, as per the recommendations of the Cabinet Sub-Committee held on 20.04.2017, the Government considered the request of M/s. Bheema Cements Limited for revival of the mining lease with the following conditions:

1. The unit shall pay Rs.10.00 Cr. to Commercial taxes Dept. immediately. Balance shall be paid in 36 interest free monthly installments.
2. The unit shall pay Rs.2.00 Cr. to TSSPDCL. Balance shall be paid in 60 monthly installments.
3. TSSPDCL shall immediately restore the power connection.
4. Dues to the Mines and Geology Department shall be paid in 36 months interest free installments after a moratorium of 2 years.
5. All the penalties, interest and surcharges pertaining to Commercial Taxes Dept. and Mines & Geology Dept. can be waived off.
6. The unit shall resume the production immediately and ensure that the employment potential as projected in the revival package is reached within one year.
However, the company failed to resume the production till date and also failed to remit the dues in installments as prescribed by the Government.

6. The Director of Mines & Geology, Hyderabad has further stated that now, the company vide their representation Dated 13.11.2017, filed a request before the Government with a pray for revival of the mining lease under Rule 20(4) of Minerals (other than Atomic and Hydro Carbons Energy Minerals) Rules, 2016 by duly remitting the prescribed fee of Rs.1,00,000/- vide treasury challan Bearing No.141639, dt:13.11.2017 as envisaged under Rule 20(5) of Amended MC Rules, 2016 .In case, if applicant company filed the application beyond the prescribed time, it shall be accompanied by a fee of rupees One Lakh under Rule 20(5) of Amended MC Rules, 2016.

7. The Director of Mines & Geology, Hyderabad further stated that M/s. Bheema Cements Limited having three mining leases which were allotted to the company will remain with the company irrespective of management control after IBC process and the Mining Leases would not be transferred to any third party and would continue to be with M/s. Bheema Cements Limited. Finally, requested for revival of the three mining leases held by M/s. Bheema Cements Limited.

8. The Director of Mines & Geology, Hyderabad further stated that M/s. Bheema Cements Limited is holding (3) mining leases for limestone in Suryapet District. The details of the mining leases held by M/s. Bheema Cements are as following:

S. No.	Name of the Lessee	Sy.No.	Extent	G.O.Ms.No. & Dated:	Remarks
LEASE I (Lease in force up to 29.12.2023) Ramapuram (vg), Mellachervu Mdl.					
1.	Sri. S. Subba Rao	63, 67 to 71 & 658	40.49 Hect. (100 Acres)	354, 09.07.1993	Original Lease Granted
2.	M/s.Coromandal Cements Limited	-do-	-do-	51, 30.01.1985	Transferred in favour of M/s. Coromandal Cements Limited
3.	-do-	-do-	-do-	157, 26.05.2005	1 st Renewal of Mining Lease
4.	M/s.Bheema Cements Limited	-do-	-do-	123, 02.12.2010	Accorded permission to change of name of M/s. Bheema Cements Limited
LEASE II (Lease in force up to 03.09.2021) Ramapuram (vg), Mellachervu Mdl.					
1.	M/s.Coromandal Cements Limited	45	5.26 Hect. (13 Acres).	193, Dated: 18.06.1999	Original Lease Granted M/s. Coromandal Cements Limited

2.	M/s.Bheema Cements Limited	-do-	-do-	123, Dated: 02.12.2010	Accorded permission to change of name of M/s. Bheema Cements Limited
LEASE III (Lease in force up to 25.10.2026) Vepalamadharam (Vg), Mellachervu Mdl.					
1.	M/s.Coromandal Cements Limited	06	121.408 Hects (299.88 Acres)	253, Dated: 14.09.2006	Original Lease Granted M/s. Coromondal Cements Limited
2.	M/s.Bheema Cements Limited	-do-	-do-	123, Dated: 02.12.2010	Accorded permission to change of name of M/s. Bheema Cements Limited

9. Initially, the Lease-I was granted in favour of Sri S. Subba Rao and subsequently transferred in favour of M/s. Coromandal Cements Limited. Later, the Lease-II & Lease-III was granted in favour of M/s. Coromondal Cements Limited.

10. As the matter stood thus, the Government vide G.O.Ms.No.123, Inds. & Comm. (M.I) Dept. dated: 02.12.2010 accorded permission to change of name pertains to the aforementioned (03) Mining Leases from M/s. Coromandal Cements Limited to M/s. Bheema Cements Limited.

11. The Director of Mines & Geology, Hyderabad further stated that M/s. Bheema Cements Limited has established a cement plant at Ramapuram Village, Mellacheruvu Mandal, Suryapet District and as reported by the ADM&G, Suryapet, the installed capacity/running capacity and employment details of the cement plan is as follows:

Installed Capacity/Clinker/ Cement of the Plant in Million Tonnes/per annum	Clinker = 0.90 Cement = 0.79	
Present production of Clinker / Cement of the plant in Million Tones/per annum	Clinker = Nil. Cement = Nil	
No. of Employees working in the Cement Plant	Head Office = Nil Plant = Nil Mines = Nil Total = Nil	
The Mineral Revenue Collections for last 03 years	2013-14	2014-15 to 2017-18
	5,61,960	Nil

12. The Director of Mines & Geology, Hyderabad further stated that as per Rule 20(3) of Minerals (other than Atomic & Hydro Carbons Energy Minerals) Rules 2016, where a lessee is unable to commence the mining operations within a period of two years from the date of execution of mining lease or discontinuation of mining operations for reasons beyond his control. He may submit application to the State Government explaining the reasons for the same at least three months before the expiry of such period of two years.

13. Further, the Government is empowered to revive the mining lease under Rule 20(6) of Minerals (other than Atomic & Hydro Carbons Energy Minerals) Rule 2016 after examination of the adequacy and genuineness of the reasons for the non-commencement of mining operations or discontinuance thereof, pass an order, within a period of three months from the date of receipt of the application made under 20(3) or the date on which the mining lease would have otherwise lapsed whichever is earlier, either granting or rejecting such request.

14. Provided that such mining leases shall lapse on failure to undertake mining operations of inability to continue the same before the end of a period of six months from the date of the order of the State Government communicating that the lease has not lapsed.

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15. The Director of Mines & Geology, Hyderabad also stated that with regard to mineral revenue dues, the Government in Memo No.4750/IP&INF/A1/2016, Dt:13.06.2017 issued orders that all the penalties, interest and surcharges pertaining to Commercial Taxes Dept. and Mines & Geology Department can be waived off. Accordingly, while considering waiver of

interest component, M/s. Bheema Cements Ltd is required to clear the mineral revenue dues as mentioned in the table below:

ML	Royalty	Cess on MBL	SR	Cess	Interest	Total
ML-I	10,466,628	496,372	432	(+)115	8,198,185	19,161,617
ML-II	970,771	377,317	18,510	4,410	354,416	1,725,424
ML-III	36,850,548	1,734,616	500	(+)295	33,851,707	73,210,653
Grant Total:	4,82,87,947	26,08,305	19,442	4,410	4,24,04,308	9,40,97,694

16. While stating the above, the Director of Mines & Geology,, Hyderabad has requested the Government to take necessary action for revival of mining lease for Limestone held by M/s. Bheema Cements Limited over an extent of 40.49 Hectares (Ac.100.00) in Sy.No.63, 67 to 71 & 658 in Ramapuram Village, Mellecheruvu Mandal, Suryapet District under Rule 20(6) of Minerals (other than Atomic & Hydro Carbons Energy Minerals) Rules 2016 subject to payment of mineral revenue dues and fulfillment of conditions put forth by the Government in Memo No.4750/IP&INF/A1/2016, Dt:13.06.2017 read with orders, Dt:09.06.2018 of National Company Law Tribunal, Hyderabad.

17. Government after careful examination the matter hereby decided to revive the mining lease for Limestone over an extent of 40.49 Hectares (Ac.100.00) in Sy.No.63, 67 to 71 & 658 in Ramapuram Village, Mellecheruvu Mandal, Suryapet District held by M/s. Bheema Cements Limited under Rule 20(6) of Minerals (other than Atomic & Hydro Carbons Energy Minerals) Rules 2016 subject to payment of mineral revenue dues and fulfillment of conditions put forth by the Government in Memo No.4750/IP&INF/A1/2016, Dt:13.06.2017 read with orders, Dt:09.07.2018 of National Company Law Tribunal, Hyderabad.

18. The Director of Mines & Geology, Hyderabad shall take necessary further action in the matter accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

JAYESH RANJAN
PRINCIPAL SECRETARY TO GOVERNMENT & CIP (FAC)

To
M/s. Bheema Cements Limited,
6-3-652/C/A, Flat 5 A, "KAUTILYA"
Amrutha Estates, Beside Medinova,
Somajiguda, Hyderabad - 500082. (By RPAD).

The Director of Mines & Geology, Hyderabad.

Copy to:

The Assistant Director of Mines & Geology, Suryapet, Suryapet District.
The Secretary to Government of India, Ministry of Mines, Sastry Bhavan,
New Delhi -110 001.
The Controller General, Indian Bureau of Mines, Indira Bhavan, Civil Lines,
Nagpur-440 001.
The Director General, Mines Safety, Dhanbad, Jarkhand.
The Regional Controller of Mines, IBM, Room No.603, 6th Floor, CGO Towers,
Kavadiguda, Secunderabad.
Sf/sc. (7013/M-II(1)/2018).

//FORWARDED::BY ORDER//

SECTION OFFICER